A RESOLUTION IN SUPPORT OF
FULLY REPLACING, NOT JUST ERASING
MICHIGAN’S PERSONAL PROPERTY TAX

BY THE CITY COUNCIL:

WHEREAS, the City of Jackson, Michigan, has experienced a significant decline in property tax values, which has caused unprecedented fiscal constraints; and

WHEREAS, this decline has resulted in a reduction of $996,000 in property tax revenue in the last five (5) years; and

WHEREAS, at the same time, Jackson, Michigan, has confronted consistent reductions in State Shared Revenue as part of the $4 Billion in cuts to State Shared Revenue statewide; and

WHEREAS, due to this unrelenting fiscal pressure, Jackson, Michigan, has been compelled to reduce the level of municipal services historically provided to the residents, businesses, and schools in our community; and

WHEREAS, these municipal services protect the health, safety, and welfare of our citizens, and are an essential component of building a strong local economy and maintaining a vibrant community; and

WHEREAS, it is proposed by some that the Michigan Personal Property Tax be erased; and

WHEREAS, an additional loss of municipal revenue will compound and exacerbate the financial hardship this community – its residents and its businesses – are currently experiencing; and

WHEREAS, the Personal Property Tax is relied upon by Michigan’s local governments, comprising about 11% of their taxable value statewide, and as much as 50% of the taxable value in some communities; and

WHEREAS, the importance of the Personal Property Tax to local communities is underscored by the fact that it is a particularly stable source of needed revenue, facilitating efficient management by Jackson’s elected and appointed local officials; and

WHEREAS, the elimination of the Personal Property Tax would result in another $1.2 billion loss to local governments statewide, and would result in a loss of approximately $700,000 every year to the City of Jackson; and

WHEREAS, even further cuts in vital local services would be unprecedented, unwarranted and destructive to the fabric of our community; and
WHEREAS, changes that are currently being proposed in the Legislature do not offer a clear solution that would replace the revenues that local municipalities or school districts would lose after the elimination of the Personal Property Tax,

NOW, THEREFORE, BE IT RESOLVED, that the City of Jackson urges the Legislature and the Governor to specifically condition any change in the Michigan Personal Property Tax that would result in a reduction in revenue from this tax to local governments, to a full—not partial—amount of replacement revenue; and

BE IT FURTHER RESOLVED, that the City of Jackson, Michigan, urges the Legislature and the Governor condition any reduction in revenue to local units of government from the Michigan Personal Property Tax, to the passage of an amendment of the Michigan Constitution to protect the full amount of replacement revenue; and

BE IT FINALLY RESOLVED, that on behalf of our citizens, businesses, and schools, and in recognition of the vital importance substantial and stable revenue derived from Michigan’s Personal Property Tax will have on our future economic success, the City of Jackson, Michigan, urges the Legislature and the Governor to Replace, not Erase, the Michigan Personal Property Tax.

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State of Michigan)  
County of Jackson) ss  
City of Jackson)

I, Lynn Fessel, City Clerk in and for the City of Jackson, County and State aforesaid do hereby certify that the foregoing is true and complete copy of a resolution adopted by the Jackson City Council on the 27th day of November, 2012.

IN WITNESS WHEREOF, I have hereunto affixed my signature and the seal of the City of Jackson, Michigan, on this 27th day of November, 2012.

Lynn Fessel, City Clerk